

THE VIRGINIA BOARD OF ACCOUNTANCY

MEETING MINUTES

The Virginia Board of Accountancy (BOA) held a regular meeting on Wednesday, December 11, 2002, in a public meeting room at the Manor House at Kings Charter, 9400 Charter Crossing, Mechanicsville, Virginia 23116. The following members were present:

Carole M. Hersch, CPA, Chairman
Howard L. Rogers, Vice Chairman
Ellis M. Dunkum, CPA, Immediate Past Chairman
Jon E. Bischel
Harry D. Dickinson, CPA
Jane M. Little, CPA

The Board member absent for the entire meeting was:

Barbara S. Pocalyko, CPA

The Board staff present for the entire meeting included:

Nancy Taylor Feldman, Executive Director
Mark D'Amato, Administrative Staff Assistant

Also in attendance for the entire meeting were:

Richard B. Zorn, Senior Assistant Attorney General
Stephanie Peters, Vice President, Virginia Society of Certified Public Accountants
Erin Collins, Government Relations Manager, Virginia Society of Certified Public Accountants
Richard Pontynen, Virginia Society of Certified Public Accountants
Joseph Brown, National Society of Accountants

Chairman Hersch called the meeting to order at 11:00 a.m. She welcomed those in attendance to the meeting.

Call to Order

Chairman Hersch determined that a quorum was present.

Determination of Quorum

Upon a motion by Vice Chairman Rogers, and seconded by Mr. Dickinson, the Board approved by unanimous vote the agenda as amended. The members voting "AYE" were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

Approval of Agenda

The Board's Final Agenda was as follows:

Call to Order
Determination of Quorum
Approval of Agenda
Public Comment Period

A. Approval of Minutes from November 22, 2002 Board Meeting

B. Legislative Package for 2003 General Assembly Session

Lunch

C. Regulatory Review

D. New Business:

1. Clarification of Requirements under 18 VAC 5-21-170 C 1
2. Request for Approval of International Consultants of Delaware, Inc. (Foreign Education Evaluation Service)
3. Update on Arthur Andersen (File Number 2002-D21)

Sign Conflict of Interest Forms
Complete Travel Expense Vouchers

Adjournment

Chairman Hersch opened the floor for public comment.

**Public Comment
Period**

With no members of the public wishing to address the Board about an issue of concern to them, the Chairman moved to the next item of business.

Upon a motion by Mr. Dickinson, and seconded by Mr. Bischel, the Board approved by unanimous vote the minutes as amended from the Board meeting on November 22, 2002. The members voting "AYE" were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

**A. Approval of
Minutes from
November 22, 2002
Board Meeting**

The Board discussed changes to Chapter 44 of Title 54.1 of the Code of Virginia. These changes included amending the current monetary penalty from \$2,500 to \$100,000 in Section 54.1-4417, and proposing new language so the Board may promulgate emergency regulations to meet the requirements of the new computer-based CPA exam.

**B. Legislative Package
for 2003 General
Assembly Session**

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board approved by unanimous vote the changes in the legislative package for the 2003 General Assembly Session. The members voting “**AYE**” were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

The members also discussed amending the statutory language to conform to the terminology in the proposed regulatory changes.

Upon a motion by Mr. Dunkum, and seconded by Vice Chairman Rogers, the Board approved by unanimous vote the editorial changes needed for the statutory language to conform to the terminology in the proposed regulatory changes. The members voting “**AYE**” were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

The Board recessed from 12:25 p.m. to 1:05 p.m. for lunch.

Lunch

The Board reviewed a revised draft of proposed changes to its regulations. Upon a motion by Mr. Bischel, and seconded by Ms. Little, the Board by unanimous vote adopted Draft #6 of the proposed changes to its regulations, and the amendments contained in memorandums dated December 9 and 10, 2002. The members voting “**AYE**” were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

C. Regulatory Review

The members expressed their appreciation to Mr. Dunkum for his work on the proposed changes to the Board’s regulations.

The Board also considered the matter of successful CPA candidates taking an oath. They agreed to table this issue, so that the Virginia Society of Certified Public Accountants (VSCPA) could review it and report back at the next meeting.

The Board discussed the continuing professional education (CPE) requirements identified in Board Regulation **18 VAC 5-21-170 C 1**. They noted that any licensed individual, who is not performing the services described in **18 VAC 5-21-170 A** or **18 VAC 5-21-170 B**, did not have any requirements of CPE.

After examining whether those who use their accounting knowledge in the performance of their job have CPE requirements, the Board agreed to include revised language about this matter in the next draft of its proposed regulatory changes.

The Board, in order to make a decision about this request, agreed that an outside academic should review the materials from the International Consultants of Delaware, Inc. and provide a written evaluation to the Board.

Mr. Dickinson asked for an update on the status of the Consent Order, which had been signed by the attorney for Arthur Andersen LLP. The members were informed that the original signed Order, which had been received in the Board office, was duly signed and entered by the Board Chairman as final. Arthur Andersen's record would now reflect that their firm registration was 'not current.'

Chairman Hersch asked the members to complete their conflict of interest forms.

Chairman Hersch asked the members to complete their travel expense vouchers.

D. New Business:

1. Clarification of Requirements under 18 VAC 5-21-170 C 1

2. Request for Approval of International Consultants of Delaware, Inc. (Foreign Education Evaluation Service)

3. Update on Arthur Andersen (File Number 2002-D21)

Sign Conflict of Interest Forms

Complete Travel Expense Vouchers

With no further business coming before the Board, upon a motion by Vice Chairman Rogers, and seconded by Mr. Dunkum, the meeting was adjourned by unanimous vote at 1:35 p.m. The members voting “**AYE**” were Ms. Hersch, Mr. Rogers, Mr. Dunkum, Mr. Bischel, Mr. Dickinson, and Ms. Little.

Adjournment

Carole M. Hersch, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director